

LEON COUNTY  
HOUSING FINANCE AUTHORITY  
August 20, 2004  
Meeting Minutes

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**MEMBERS PRESENT:** Mr. Allen Stucks, Mr. John Lawrence, Mr. Mike Donovan, Mr. Lee Nunn, Ms. Jaimie Ross.

**MEMERS ABSENT:** Mr. Bill Mattice, Ms. Penny Herman, excused.

**STAFF PRESENT:** Mr. Joe Sharp, Director, Health and Human Services, Ms. De'Lean Johnson, Housing Coordinator and SHIP Administrator, Ms. Ora Hall, Administrative Associate V, Housing Services.

**STAFF ABSENT:** None

**BOND COUNSEL:** George Smith, Bryant, Miller and Oliver

**ADVISOR:** Ms. Helen Feinberg, RBC Dain Rauscher.

**GUESTS:** Ms. Debbie Love, Director, Tallahassee Lender's Consortium, Mr. Gordon Jernigan, Executive Director, Escambia County Housing Finance Authority, Ms. C.J. Pipkins, Assistant to the Director, Escambia County Housing Finance Authority, Mr. Breck Kean, Mr. Clay Landers and Mr. Christian Packerd, Capitol Development Group, Lakes at San Marcos Apartments.

**Agenda Item #1:** Call to order by the Chairman

**Action Taken:** A quorum being present, the meeting was called to order by Chairman Stucks at 12:00 p.m.

**Agenda Item #2:** Approval of Agenda for August 20, 2004  
Chairman Stucks called for approval of the Agenda for August 20, 2004.

**Action Taken:** Ms. Mike Donovan motioned for approval of August 20, 2004 Agenda and additions thereto of Escambia Housing Finance Authority presentation. Motion seconded by Ms. Jaimie Ross. Motion passed 5-0.

Chairman Stucks took up Agenda Items 4 and 6 before following the Agenda as printed.

**Agenda Item #3:** Approval of Minutes from June 3, 2004 Meeting  
Chairman Stucks called for approval of the June 3, 2004 Minutes.

**Action Taken:** Mr. Lee Nunn motioned for approval of the June 3, 2004 Meeting Minutes. Motioned seconded by Mr. John Lawrence. Motion passed 5-0.

**Agenda Item #4:**

**Mr. Gordon Jernigan, Executive Director, Escambia Housing Authority, Presentation.**

Mr. Jernigan handed out material relating to the Escambia County Housing Finance Authority Single Family Mortgage Revenue Bond Program. Mr. Jernigan's request to the Authority was to determine whether the Authority would participate in the 2005 Bond issue as there is no cost to the Authority. Should the Authority agree to participate, it would be subject to a TEFRA Hearing. Reminding the Authority that there are twenty Counties in the program and the TEFRA Hearing must be scheduled in a timely manner as advertisement must take place 14 days prior to the meeting.

**Action Taken:**

Ms. Jaimie Ross motioned for approval of the Leon County Housing Finance Authority participating in the Escambia County Housing Finance Authority's Single Family 2005 Bond issue. Motioned seconded by Mr. John Lawrence. Motion passed 5-0.

The Authority agreed to hold the TEFRA Hearing on Thursday, October 7, 2004, 11:00 a.m., at the Leon County Housing Services Department.

**Agenda Item #5:**

**Staff Reports**

a) The American Red Cross

Ms. De'Lean Johnson presented an overview of the American Red Cross Disaster Mitigation and contract funding, stating that this contract would expire in September and no request had been received from for future funding to-date.

b) Proposed changes to SHIP LHAP

Ms. De'Lean Johnson presented SHIP LHAP limit increases to the Authority as follows:

Item	Old Maximum
1. Rehabilitation Maximum	\$37,000
2. Home Replacement Maximum	\$37,000
3. Purchase Price of Homes	\$90,055 (Prev. Occup) \$106,365 (New Homes)
4. Down Payment Asst W/Cons.	\$10,000 (VLI) \$7,500 (LI) \$5,000 (MOD)
5. Down Payment Asst W/O Cons.	\$5,000
	<b>New Requested Maximum</b>
6. Rehabilitation Maximum	\$50,000 or \$50 per sq ft
7. Home Replacement Maximum	\$75,000
8. Purchase Price for Homes	\$166,000 (Prev and New Homes)
9. Down Payment Asst W/Cons	\$15,000 (VLI) \$10,000 (LI) \$7,500(MOD)
10. Down Payment Asst W/O Cons	\$7,500

11. Combine Major and Minor Rehabilitation and Emergency Repair into one Rehabilitation strategy with the following lien adjustments:

- a. \$0.00 -10,000 – 5 year lien
- b. \$10,001 - \$20,000 – 10 year line
- c. \$20,001 and above – 20 year lien

Ms. Jaimie Ross motioned for acceptance of SHIP LHAP limit increases as presented above by Ms. Johnson. Motioned seconded by Mr. John Lawrence. Motion passed 4-1 (Mr. Mike Donovan opposed).

c) Magnolia Terrace REAC Inspection Follow-up

Ms. Johnson reported to the Authority that Staff had requested a REAC inspection from HUD based upon a change in management. A response was received from HUD on August 10<sup>th</sup> in which they declined to conduct another inspection. The next inspection is scheduled to take place in 2005 as Magnolia Terrace received a 90% or higher rating during the last inspection. According to HUD regulations, another inspection is not due to take place until three years later.

Mr. Mike Donovan remarked that according to the contract, an inspection can be done as amenities falls under Seltzer Management not HUD.

Ms. Ross explained that this matter is about Seltzer Management not following HFA's LURA – Seltzer Management is not reporting on items that were committed to in the LURA. Seltzer Management has to go back and make sure that all items are in place based upon their commitment. Those items are most likely in place but are not included in the report from Seltzer.

Mr. Joe Sharp stated that there was a report from Kathryn Driver on these additions at Magnolia Terrace which was accepted by the Authority dealing with amenities and LURA issues. The question came up after the REAC inspection – Seltzer Management had written a letter to the Authority, requesting that another inspection be waived, citing the regulations of HUD and that HUD was the agency which performed the REAC inspection. The Authority asked Staff to write to Seltzer Management, informing them that the Authority did not waive their request. A letter was then sent to Seltzer as well as HUD asking whether they would consider performing an inspection. HUD responded that they would not perform the REAC out of sequence because of the score the project earned in a prior inspection. Seltzer Management has not

responded in writing but has responded verbally that they have noted in the file, the Housing Finance Authority's refusal of the waiver request.

Staff was asked to contact Seltzer Management to request a copy of their check list before the next inspection report to ensure that all amenities are included on the list that is within the LURA.

Mr. John Lawrence shared pamphlets with the Authority from Magnolia Terrace stating that multi-family is something good and he has been watching and find that they are doing an excellent job and wants to share this information at some point in time with the Authority. He reported activities requested by the Authority are in place, community involvement is excellent. Students from FAMU and FSU are on-site assisting with these programs. Adding that he hoped Capitol Development's project will add the same kind of distinction to the south side as Magnolia Terrace.

**Agenda Item #6: Old Business and New Business – HFA**

**a) Capitol Development Group – Lakes at San Marcos Apartments**

Mr. Breck Kean presented an overview of the Lakes at San Marcos Apartments stating that he is seeking approval/consideration of a \$16.8 million dollar tax exempt bond and requesting those dollars from the Authority through the Division of Bond Finance to facilitate the construction of Lakes at San Marcos and by serving as issuer, the Authority will be able to access excess dollars during the next allocation cycle.

Mr. Kean asked the Authority to request \$16.8M from the Division of Florida Bond Finance as soon as legally possible. He informed the Authority of approximately \$454M of unused bonds available at the State level, with \$77M of requests already made for that pool of funds leaving a remainder of \$377M to be released November 15, 2004 and will be available on a first come, first serve basis. This process allows the Leon County Housing Finance Authority to issue the bonds from excess State allocations with no impact on the Authority's next allocation cycle.

Mr. Clay Landers stated that the Lakes at San Marcos Apartments will be built in the Southside as it is in line with many of the initiatives that both the City and County has been pursuing for some time but also to serve a market which his company feels has not been adequately served to-date.

The development will consist of 312 units of multi-family development – a mixed use – with 75% affordable which is based on the 60% AMI

threshold typically associated with bond financing and 25% market rate development. This development has a very strong amenity package with after school programs, work out facilities, biking and hiking systems.

Mr. Kean stated that the Authority could authorize the Financial Advisor and Staff to undertake review and analysis of Capitol Development's application which he is prepared to deliver today and hoped that at the September 2004 Authority meeting, with recommendation from Staff and Financial Advisor, a formal Inducement Resolution would be adopted, followed by a Public TEFRA Hearing. Mr. Kean reminded the Authority that formal approval will be needed from the County Commission, followed by a formal application request by Bond Counsel to the Division of Bond Finance.

He also informed the Authority that he had a check in the amount of \$5,000 for application fees if the Authority accepted their proposal -- there will be a closing fee of approximately \$42,000 with ongoing fees of approximately \$33,000 for life of the Bond. The project is ready to go and the Group has worked with the City and County in obtaining all permits which should be in hand and ready to commence construction in mid-October -- if successful in receiving Bonds from the State on November 15, 2004, the Capitol Development Group will be fully prepared to close within 30 days thereafter.

Ms. Feinberg gave an overview of procedures for acceptance of the application and advertisement of the TEFRA Hearing. Ms. Feinberg will review the Capitol Development Group's application and provide a written report to the Authority of findings and recommendations prior to the October 7<sup>th</sup> meeting.

Ms. Ross suggested receiving the report two weeks before the October 7<sup>th</sup> meeting.

Mr. George Smith addressed responsibilities of Bond Counsel in preparing advertisement of the TEFRA Hearing, published to the public that this property is being proposed and is to be financed by tax and bonds issued by this Authority which is a requirement of Federal Tax Code -- the advertisement requires a 14 day publication but will not tie the Authority to issuing these bonds. Following the Public Hearing, if there is no reason found not to issue Bonds, the Authority will then adopt a Resolution and will need to ask the County Commission to adopt the Resolution as well as required under the Federal Tax Code.

Mr. Lee Nunn recused himself from voting on this matter as he is a real estate agent involved in sale of property that the Capitol Development Group is purchasing.

Following discussion of whether or not Mr. Nunn needed to recuse himself from the voting process, Chairman Stucks asked Staff to get an opinion from Bond Counsel based upon Mr. Nunn's involvement as a real estate agent for sale of property to Capitol Development, whether or not he can or should vote on this project.

Mr. John Lawrence asked Staff to involve Mr. Herb Thiele, Leon County Attorney, in the opinion process relating to Mr. Nunn's involvement in the Capitol Development land purchase. Disclosure information was previously submitted to Mr. Thiele which resulted in finding no conflict of interest by Authority members.

Ms. Feinberg suggested that the Authority hold its next meeting on October 7<sup>th</sup>, advertising the TEFRA Hearing 14 days prior to the meeting, as the September 2<sup>nd</sup> meeting date would not allow enough time to advertise the Hearing. The Authority unanimously agreed with Ms. Feinberg's suggestion.

**Action Taken:** Mr. Mike Donovan motioned for acceptance of the Capitol Development Group's Lakes at San Marcos application which is to be reviewed by the Financial Advisor and the TEFRA Hearing will be held October 7, 2004 at 11:30 a.m. Motion seconded by Ms. Jaimie Ross. Motion passed 5-0.

**Agenda Item #7:** Member's Request and Issues of the Day  
Ms. De'Lean Johnson will present 2004 Housing Production reports at the January 7, 2005 HFA meeting

**Action Taken:** None

**Agenda Item #8:** Announcements

Ms. Debbie Love, Director of the Tallahassee Lender's Consortium will host a Fall Housing Showcase on September 18<sup>th</sup> at the Leon County Civic Center, along with the Florida Housing Finance Corporation and Tallahassee Urban League.

Special Note: Housing Services will also participate in the Fall Showcase.

**Action Taken:** None

**Agenda Item #9:** Citizens to be heard – There were no citizens to be heard

**Action Taken:** None

**Agenda 10:** Adjournment

**Action Taken:** With no further business coming before the Authority, Mr. Lee Nunn motioned for adjournment. Motion seconded by Ms. Jaimie Ross. The meeting was adjourned at 2:15 p.m.

The September 2, 2004 Housing Finance Authority Meeting was cancelled by consensus of the Authority.

The next Housing Finance Authority Meeting will be held Thursday, October 7, 2004:

11:00 a.m. Escambia County Single Family Bond TEFRA Hearing

11:30 a.m. Capitol Development Group Multi-Family Bond TEFRA Hearing

12:00 p.m. Lunch and Housing Finance Authority Meeting

The Quarterly CDBG meeting will be held Thursday, December 2, 2004

**Approved:** Allen D. Stuck, Sr.  
Allen Stucks, Chairman

**Attest:** Mike Donovan  
Mike Donovan, Secretary

**Date:** October 7, 2004